

## Report for the Quarter Ended 31 March 2012

### HIGHLIGHTS

- Cairn Hill JV cash flow positive for the quarter
- New Life of Mine sales contract finalised for 50% of ore subsequent to quarter end
- Trial shipments made to a range of potential customers during the quarter at significantly improved prices
- Cash operating costs reducing towards \$80/tonne FOB as a result of reduced mining plan and the implementation of other cost cutting measures
- Snaefell Inferred Mineral Resource increased by 184% to 569Mt at 27.1% Fe using an 18% Fe cut-off grade
- Ntaka Hill Measured and Indicated resources increased by over 150% to 12.79Mt @1.21% Ni for 154,700 tonnes of contained nickel (0.2% Ni cut-off)
- At the end of the quarter, the IMX Group had \$17.2 million cash at bank

### OPERATIONS

#### Cairn Hill JV (IMX – 51%)

Production and shipments for the quarter were as follows (figures represent the full (100%) results of the Cairn Hill JV):

	March 2012 Quarter	December 2011 Quarter (revised *)	FYTD	Production Comparison From Previous Quarter
Waste removed (BCM)	1,122,850	1,471,505	4,151,152	-16.9%
Waste and Ore (BCM)	1,232,223	1,535,904	4,404,935	-19.8%
Ore Mined (tonnes)	456,086	268,543	1,058,275	+69.8%
Ore Crushed (tonnes)	407,144	360,286	1,187,142	+13.0%
Road Haulage (tonnes)	404,427	390,865	1,108,328	+3.5%
Rail Haulage (tonnes)	405,074	365,897	1,223,813	+10.7%
Shipped (tonnes)	436,264	372,077	1,262,296	+17.3%

\* Adjustment made to December 2011 reported figures

Heavy rainfall events at the end of February resulted in water inflows into both Pits 1 and 2 with a subsequent impact on production resulting in a modification to the mining schedule with little or no impact on crushing, road haulage, rail and ultimately shipping rates.

#### Safety

IMX and the mining contractor continue to work together to reduce the overall number of incidents resulting in the frequency rates for injuries continuing to maintain a downward trend.

### *Mining*

During the quarter, the pre stripping requirements for Pit 1 were completed. Consequently, a plan was formulated to reduce overall volumes mined and ultimately the total cash operating costs. The new mine plan does not impact ore volumes but will substantially reduce costs and took effect from April 2012. This will see cash operating costs reduce to approximately \$80/tonne FOB.

### *Ore Crushing*

The rate of ore crushed continued to improve over the previous quarter.

### *Road Haulage*

The JV increased the tonnes hauled compared to the previous quarter even though, as a result of rainfall events, 185 hours of road access were lost during the quarter.

Ongoing road maintenance and repair work was also performed on the haulroad throughout the Quarter. As a result of this work, an improvement in running surface enabled 160,731t to be hauled in March.

### *Rail Haulage*

There was an improvement in railed tonnes over the previous quarter and the Company will continue to work with all service providers throughout the logistics chain to maximize rail haulage capacity. The improvement was achieved despite rail operations being affected by a number of factors which resulted in services being impacted and / or lost during the quarter.

### *Shipping*

A total of six vessels were loaded during the quarter. The Cairn Hill JV was able to maintain the planned shipping capacity in spite of the adverse weather conditions impacting the entire logistics operations.

### *Stockpiles*

At the end of the quarter the ore stockpiles carried a total value of approximately \$11.2 million and are as follows:

	<b>Pre-Crusher</b>	<b>Post Crusher</b>	<b>Rankin Dam</b>	<b>Port Adelaide</b>
Stockpile (tonnes)	96,763	57,717	66,067	57,276

### *Sales and Marketing*

During the quarter, the JV signed new magnetite ore sales agreements to alternative customers at pricing within 10% of the Taifeng life of mine sales contract. Some of these sales agreements represent trial shipments for the processing of the JV's ore. If the processing testwork is successful, the JV expects to be able to enter into long term sales agreements with these customers.

Subsequent to the end of the quarter, the JV finalized a life of mine sales contract with Vingo Resources Ltd for 50% of all ore produced by the Cairn Hill Mining Operation. The pricing for the contract is based on industry standard iron and copper pricing benchmarks and is comparable to the Taifeng life of mine sales contract.

## DEVELOPMENT PROJECTS

### (1) Mt Woods Magnetite Project, South Australia (IMX – 100%)

#### Snaefell Magnetite Deposit

During the quarter a substantially increased mineral resource of 569Mt at 27.1% Fe was estimated using an 18% Fe cut-off grade for Snaefell (ASX: March 1 2012). This new estimate represents a 184% increase on the maiden resource of 200Mt at 27.65% Fe (using an 18% Fe cut-off grade) reported on 12 October 2011. The entire upgraded resource averages over 27% Fe, which demonstrates the consistency of the magnetite mineralisation.

The delineation of these iron resources at Snaefell are a key step forward for the Company's ongoing development and mining future in South Australia.

Snaefell Mineral Resource JORC (2004) Classified.

Type	Cut Off Grade	Inferred Mineral Resource					
		Tonnes Mt	Fe %	Al <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	S %
Oxide		12	27.8	7.4	0.132	38.3	0.07
Transitional	18.0%	138	26.8	7.7	0.112	44.7	0.03
Fresh		418	27.2	6.5	0.139	46.2	0.02
Total	18.0%	569	27.1	6.8	0.133	45.7	0.03

\* Note: Totals may differ due to rounding errors.

The Snaefell Mineral Resource estimate has been classified as an Inferred Mineral Resource based on the guidelines of the JORC Code (2004). The mineralisation is low in phosphorus (P) and sulphur (S).

The Snaefell magnetite iron ore mineralisation extends for 2.7km, with the mineralisation remaining open along strike and at depth. The actual size of the resource is only limited by the extent to which drilling has been completed to date. The new resource block model is currently being optimised as part of a scoping study which is expected to be completed in 2012.

Diamond core drilling commenced in April to provide samples for a metallurgical testwork program to confirm the performance indicated by the Davis Tube Recovery (DTR) test work for the expanded resource area. Previous testwork has been positive with DTR tests producing magnetic concentrates of 65% Fe at a coarse grind size of 200 µm with very low levels of impurities. The coarse grind means that a significant amount of waste material can potentially be removed early in processing which may reduce capital and processing costs compared to other Australian magnetite deposits.

### (2) Nachingwea Nickel – Copper JV Project, Tanzania (25% JV Interest, 37% CNI Equity)

The Nachingwea project is a 25:75 Joint Venture between IMX and TSXV listed Continental Nickel Limited (CNI), in which IMX has a substantial 37% direct shareholding, giving IMX a beneficial interest of 53% in the Nachingwea Project.

During the quarter a 150% increase in Measured and Indicated (M&I) mineral resources was announced for the Ntaka Hill Ni-Cu deposits at Nachingwea. M&I resources increased to 12.79Mt @1.21% Ni for 154,700 tonnes of contained nickel, while Inferred mineral resources increased to 45.04Mt @0.30% Ni for 135,000 tonnes of contained nickel (0.2% Ni cut-off).

#### Ntaka Hill Mineral Resources at 0.2% Ni cut-off

Category	Tonnes	% Ni	% Cu	% Co	Contained Ni (tonnes)
Measured	1,662,000	1.71	0.29	0.05	28,400
Indicated	11,125,000	1.14	0.25	0.03	126,300
<b>M+I</b>	<b>12,786,000</b>	<b>1.21</b>	<b>0.25</b>	<b>0.03</b>	<b>154,700</b>
Inferred	45,037,000	0.3	0.07	0.01	135,000

Final analytical results were received for the 2011 Ntaka Hill and regional drilling programs during the quarter. At Ntaka Hill new results confirmed that the NAD013 discovery zone and the Sleeping Giant zone are now connected into one mineralised zone. In addition, the Sleeping Giant high-grade core zone is now defined over 600m and remains open down plunge to the south.

New nickel mineralisation was identified 350m east of previous H Zone intersections and includes 20m @0.52% Ni and 0.11% Cu in NAD11-264. A new off-hole EM target was also identified south of H Zone and will be tested during 2012.

In regional exploration drilling, copper mineralisation was intersected at the Chilalo copper targets, 23km northeast of the Ntaka Hill Nickel deposit, over a 1km strike length. Best results included 0.4m @5.27% Cu, 15.05g/t Ag and 0.41% Zn in NRD11-047. In addition to the drilling, soil sampling identified new Cu-Zn-Ag geochemical targets which will be tested in 2012. The identification of a sedimentary copper-silver-zinc mineralisation style in the project area further enhances the regional prospectivity of the evolving new mineral province at Nachingwea.

#### Metallurgy

Preliminary assay analysis of the Sleeping Giant disseminated hanging wall (HW) mineralisation indicated that good nickel recoveries should be possible by conventional flotation methods. The results are particularly significant as preliminary estimates indicate that the disseminated HW mineralisation represents approximately 50% of the contained nickel in the updated mineral resource estimate and is mineralisation that will be mined as part of any open pit extraction of the higher grade resources. The Sleeping Giant HW results are similar to main Sleeping Giant zone, and other disseminated nickel sulphide projects such as the Kevitsa Copper Nickel Project in Finland and Rönnbäcken Nickel Project in Sweden.

#### Environmental

Approval was granted by the National Environment Management Council of Tanzania for the Environmental Scoping Study (ESS) submitted for the Ntaka Hill Nickel Project. The approval of the ESS and the Terms of Reference for the Environmental and Social Impact Assessment (ESIA) is the first step in achieving environmental permitting, and advancing the Ntaka Hill Nickel Project towards production by 2015.

#### (3) Cairn Hill Phase 2 (IMX – 51%)

Ongoing metallurgical testwork occurred in both China and Australia during the quarter. This work was primarily focussed on undertaking dry magnetic separation testwork to determine the final grade of product to be derived from Phase 2. Feedback was received from the South Australian department of mines concerning the modified environmental plan highlighting a number of areas which require further clarification. Work will continue to obtain necessary permits during the upcoming quarter.

# EXPLORATION

## (1) Mt Woods Magnetite Regional Targets (IMX – 100%)

Regional magnetite exploration activities continued at Mt Woods during the period with the majority of work focussing on the new Tomahawk magnetite prospect, located 25km southeast of the Cairn Hill magnetite-copper mine in South Australia. Significant progress was made on the new prospect with results reported for RC drilling, preliminary metallurgy and the estimation of an exploration target tonnage.

Assays from all six RC drill holes completed at Tomahawk in late 2011 returned significant magnetite iron intersections from the easternmost 500m of the 3km long magnetic anomaly drilled. The magnetite-quartz host unit ranges in width from about 90m near surface to 60m down dip and has average grade of 34% Fe (ASX: 25 January 2012). Mineralisation remains open along strike and at depth.

Tomahawk Significant RC Intersections (Fe ≥ 20%, Intervals ≥ 10m, Internal Dilution ≤ 4m)

Hole	From m	To m	Interval m	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
THRC001	31	195	<b>164</b>	<b>31.44</b>	41.36	1.02	0.22	0.07	0.80
THRC002	85	122	37	30.92	38.81	0.64	0.25	0.08	0.33
	127	265	<b>138</b>	<b>33.21</b>	39.35	0.74	0.27	0.02	0.31
including	161	170	9	38.81	35.40	0.21	0.35	0.01	0.03
including	176	186	10	39.51	35.50	0.29	0.37	0.01	0.15
THRC003	33	154	<b>121</b>	<b>34.04</b>	34.95	1.23	0.27	0.07	2.94
including	43	52	<b>9</b>	<b>44.42</b>	24.57	0.96	0.14	0.15	5.81
including	69	75	6	39.29	35.07	0.39	0.35	0.01	-0.04
including	149	154	<b>5</b>	<b>41.60</b>	17.74	0.68	0.41	0.28	9.15
THRC004	47	70	23	25.30	43.18	1.01	0.24	0.05	7.29
	179	241	62	29.16	42.22	1.42	0.22	0.03	1.49
THRC005	28	121	<b>93</b>	<b>33.66</b>	40.12	0.83	0.25	0.04	1.02
THRC006	58	77	19	22.58	28.30	1.64	0.31	0.13	11.30
	125	192	67	29.92	42.34	1.35	0.22	0.05	1.13

Encouraging preliminary Davis Tube Recovery (DTR) testwork results were received for RC magnetite samples from the Tomahawk during the quarter. The initial metallurgical assessment indicates that it is similar to Snaefell and a concentrate grading up to 65% Fe with very low levels of impurities can be achieved at a coarse grind size of 250 microns.

An Exploration Target tonnage<sup>1</sup> of 150Mt to 230Mt at 25% to 35% Fe was estimated for Tomahawk during the quarter. This target was based on the RC drilling results integrated with detailed aeromagnetic data and modelled to a vertical depth of 250m, a width of 60m and a strike length of 3km. A specific gravity of 3.4 was used to estimate tonnages.

In addition to the 3km strike length of the main Tomahawk magnetite prospect, where the Exploration Target tonnage was estimated, there are a number of other magnetic targets nearby which are yet to be drill-tested, and as such are not yet included in the exploration target category.

IMX is planning a number of drill campaigns over the next nine months to test these and other targets with a view to adding them to the Mt Woods Iron project global exploration target resource base which is approaching 1 billion tonnes of iron (including the Snaefell inferred resource, Fitzgerald Dam and Bumblebee exploration targets; ASX: 11 November 2009).

<sup>1</sup> Exploration Target tonnage estimates are conceptual only. These figures are not resource estimates as defined by the JORC code (2004), as insufficient exploration has been conducted to define a Mineral Resource.

## **(2) Mt Woods Copper – Gold Project, South Australia (IMX 49%)**

The Mt Woods Copper – Gold Project is a 49:51 joint-venture between IMX and OZ Minerals Ltd (OZ Minerals). OZ Minerals must spend \$20 million over five years to retain their 51% interest.

During the quarter OZ Minerals drilled seven diamond core holes for 4,730 metres to test anomalies at Aquila, Fyans and Brumby. The rock sequence intersected at Fyans and Brumby appears similar to that at Prominent Hill with some brecciation and hematite infill recorded. Follow-up drilling is being planned. At quarter end drilling was continuing at Brumby.

Ground gravity surveys were undertaken across the Southern Domain area and a seismic traverse was completed across the south-eastern portion of the area to define major regional structures.

## **(3) Tasmania - NW Nickel Project (IMX – 96%)**

Analytical results were received for the geochemical sampling program completed in mid-December 2011. The results are currently being assessed in order to define potential Ni-Cu-PGE drill targets which are expected to be drilled in the next quarter.

## **(4) Mibango Nickel Project, Tanzania (IMX – 100%)**

No exploration conducted during the period. Finalisation of targeting and reporting is expected to be completed in April with a number of key drill targets expected to be identified for followup.

## **(5) Mozambique – Nickel-Copper-PGE Project (IMX – 100%)**

Target generation and interpretation of the Milange aeromagnetic and radiometric survey data was completed during the quarter. Field validation activities are expected to commence during the next quarter.

## **(6) Western Australia - Dingo Well Gold Project (IMX – 100%)**

No exploration conducted during the period.

# **CORPORATE**

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## **New Appointments**

On 10 February 2012, IMX announced the appointment of John Nitschke as the Non Executive Chairman of the Company. This followed the resignation of Johann Jooste-Jacobs.

Mr Nitschke is a highly experienced mining engineer with over 35 years' experience in the resources industry. He has previously held senior executive roles with Normandy Mining, Oxiana Limited and OZ Minerals. He is a non-executive Director of ASX listed Toro Energy Limited, Venturex Resources Limited and Chairman of TSX listed Continental Nickel Limited.

On 18 January 2012, IMX announced the appointment of Caroline Rainsford as Company Secretary.

## **Close out of Iron Ore Hedge Positions**

The Cairn Hill JV closed out its iron ore hedge positions with Credit Suisse during the quarter. The relatively modest hedge positions were for 30,000 tonnes per quarter at \$A124 per tonne FOB. The JV now has no hedging in place.

## Uranex Placement

During the quarter, IMX participated in the Uranex Limited private placement. Under the plan, IMX committed to purchasing 7,812,500 shares at \$0.32 for a total investment of \$2.5 million. 6,250,000 shares were issued on 19 March 2012. The remaining 1,562,500 shares are subject to Uranex shareholder approval at an Extraordinary General Meeting to be held on 30 April 2012.

At the completion of the full placement, IMX will hold 54,246,482 shares in Uranex, giving it a 25.65% shareholding.

## Investments

The value of IMX's major listed investments stood at \$29.1 million at the end of the quarter, with the 52.7 million Uranex shares held by IMX valued at \$16.3 million (UNX:ASX price \$0.31 per share), and the 15.8 million Continental Nickel Limited shares held by IMX valued at \$12.8 million (CNI:TSXV price Cdn\$0.81 per share).

## Cash Flow

As at 31 March 2012, the IMX Group had cash at bank of \$17.2 million. The Cairn Hill JV is now back to being cash flow positive as a result of the reduction in operating capacity and the negotiation of new long term contracts. This will enable the Company to aggressively pursue the advancement of project assessment and exploration activities.



**Neil Meadows**  
**Managing Director**

### MEDIA & SHAREHOLDERS

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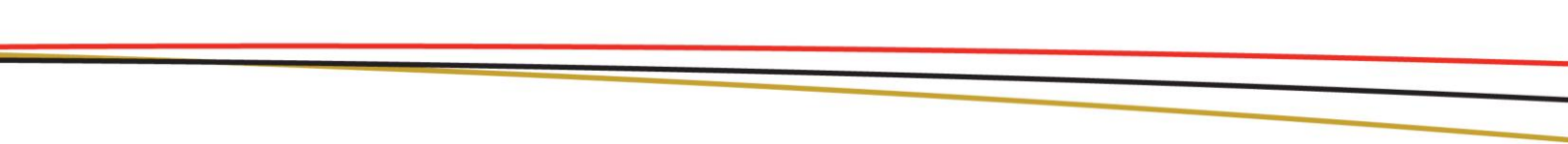
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All statements in this announcement, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, capital and operating costs, continued availability of capital and financing and general economic, market or business conditions. Information in this announcement are the current best estimates, but are subject to change. IMX is not able to warrant the accuracy or completeness of any of the information in this announcement.

## Competent Persons

Information in this report relating to other exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists, and who is a full-time employee of the Company. Bianca Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources. Bianca Manzi consents to the inclusion of the data in the form and context in which it appears.

Information in this public report that relates to the estimation of Mineral Resources at Snaefell and Cairn Hill Phase 2 is based on information compiled by Mr Robert Williams and Mr Kevin Lowe respectively, and supervised by Ms Bianca Manzi. Both Mr Williams and Mr Lowe are Members of the Australasian Institute of Mining and Metallurgy, and have sufficient relevant experience to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results and Mineral Resources. Mr Williams, Mr Lowe and Ms Manzi consent to the inclusion of the data in the form and context in which it appears.



Information in this report relating to the Nachingwea exploration results is based on data compiled by Patricia Tirschmann who is a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of Manitoba and who is a full-time employee of the Continental Nickel. Patricia Tirschmann has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Patricia Tirschmann consents to the inclusion of the data in the form and context in which it appears.

Information relating to the Ntaka mineral resource estimate was prepared by Roscoe Postle Associates Inc. of Toronto, Ontario under the supervision of Chester Moore, P. Eng., Principal Geologist. Mr. Moore is a registered member of the Professional Engineers of Ontario and an independent qualified person as defined by National Instrument 43-101. Mr Moore has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of the data in the form and context in which it appears.